



# City of San Marcos 2008 Budget Policy Statement

Adopted: May 15, 2007

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## **I. Fund Balance Goals**

### **★ Fund Balances**

- Goals for fund balances will be at the following levels:
  - General Fund: 25 %
  - Water/ Wastewater Fund: 25 %
  - Electric Utility Fund: 25 %

### **WATER/ WASTEWATER FUND**

- No increase in water/ wastewater rates.
- Allocate pay-as-you-go funds into the Capital Improvements Program (CIP).
- Consider new personnel as recommended by the City Manager.

### **ELECTRIC UTILITY FUND**

- No increase in electric rates.
- Consider new personnel as recommended by the City Manager.

### **GENERAL FUND**

#### **★ Property Tax Rate**

- Implement tax rate increase as approved by voters in the 2005 bond election to pay for debt service on approved projects.

★ **Revenues**

- Continue to use conservative estimates to project increases in sales tax revenues and property tax values.

Sales Tax Projections

2005-2006 (Actual)	2006-2007 (Budgeted After Rebate)	2006-2007 (Anticipated After Rebate)	2007-2008 (Proposed After Rebate)
\$16,232,402	\$14,350,541	\$ 15,972,298	\$ 15,600,000

**CAPITAL IMPROVEMENTS PROGRAM**

★ **CIP/ New Debt**

- Continue with the 10-year CIP projects that have been identified.
- Fund \$1,052,000 in debt as well as fund \$5 million for Fire Station.
- Market and sell property City swapped with McCoy's and use money to fund park improvements projects for river bank stabilization.

**II. Major Policy Issues**

★ **Operating Expenses**

- Limit department increases for operating expense line items to 3 %.

★ **Employee Benefits/ Raises**

- Allocate \$ 500,000 and create a merit based system to reward top-performing employees and fund the civil service pay plan.

★ **New Personnel**

- Consider new personnel as recommended by the City Manager, including four (4) new police officers, one (1) fire department position, and four (4) General Fund positions.

★ **Capital Outlay**

- Appropriate \$ 900,000 for needed Capital Outlay.

★ **Greenspace**

- Invest \$ 5,000 in acquiring and developing greenspace.

**III. External Programs**

★ **Hotel/ Motel Fund**

- Hold a workshop to discuss the fund structure with representatives of all programs funded from Hotel Occupancy Tax revenues, including the Convention & Visitor Bureau Board, Main Street Advisory Board, Minority Tourism Board, Arts Commission and the Outlet Malls.

**Current Distribution**

CVB	45.0%
Arts Commission	4.5%
Main Street	15.5%
Hispanic Chamber	5.5%
Tanger/ Prime Advertising	3.5%
Council Tourism Account	1.0%
Future Conference Center	21.5%
Branding/ Marketing San Marcos	3.5%

★ **Social Services**

- Fund social service programs at \$ 412,000.
- Do not add additional funding to the Youth Projects line item but keep \$5,000 amount that was budgeted in FY 2006-07.

★ **Economic Development**

- Hold a special workshop to discuss economic development funding with the Economic Development SM Board, Industrial Development Corporation and the City Council.

★ **Lobbying Contracts**

- Allocate \$ 300,000 to be used for lobbying efforts.

★ **Miscellaneous Issues**

- Allocate \$ 250,000 to fund energy efficiency programs, including performing an energy audit to determine energy efficiency improvements that can be made to City-owned facilities and proposed costs; fleet analysis and hybrid vehicle purchase program; and conducting a survey of residents regarding energy efficient options they might use in their homes.
- Consider funding energy efficiency improvements next year.
- Allocate \$ 100,000 for the Beautification Committee to beautify City entryways.

- Allocate \$92,000 as a recurring expense to be used to fund an additional mowing schedule for maintaining City-owned Rights-of-Way.
- Allocate \$25,000 to fund the EMS request for an increase in funding.
- Fund the following one-time expenses:
  - Computer Network - \$300,000
  - Airport Matching Funds - \$304,667
  - Building Repairs at the Activity Center & Police Headquarters - \$335,000
  - Tennis Court Repairs - \$300,000
  - Website redesign - \$73,000